

President's Address

San Bernardino-Riverside Chapter
September 12, 2019

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CEO/President, CAHF

Welcome! Let's talk about...

- California's **economic picture: a brief update**
- What's happening in **Sacramento**: Governor, Legislature, and state departments
- What's happening **nationally** and in **D.C.**
- The **challenges** ahead for our profession
- What we can ALL do to **improve our operations**, **improve quality** for our patients and residents, and **increase awareness** of the challenges we face

California's Economic and Fiscal Picture

- **Very strong economic picture continues**
 - “Full employment”—especially in the Bay Area
 - Approaching longest-ever economic expansion
 - Strong state tax revenue collections
- **But risks of a downturn are showing**
 - State revenue volatility
 - Trade war with China
 - Growing federal deficit



- Pushing back on Washington
- Expanding housing
- Halting the death penalty
- Resizing high speed rail
- Responding to utility bankruptcy
- Confronting homelessness
- Expanding healthcare, reducing prescription costs
- Preparing for more wildfires
- Future aspirations?



What's Up with Governor Newsom?

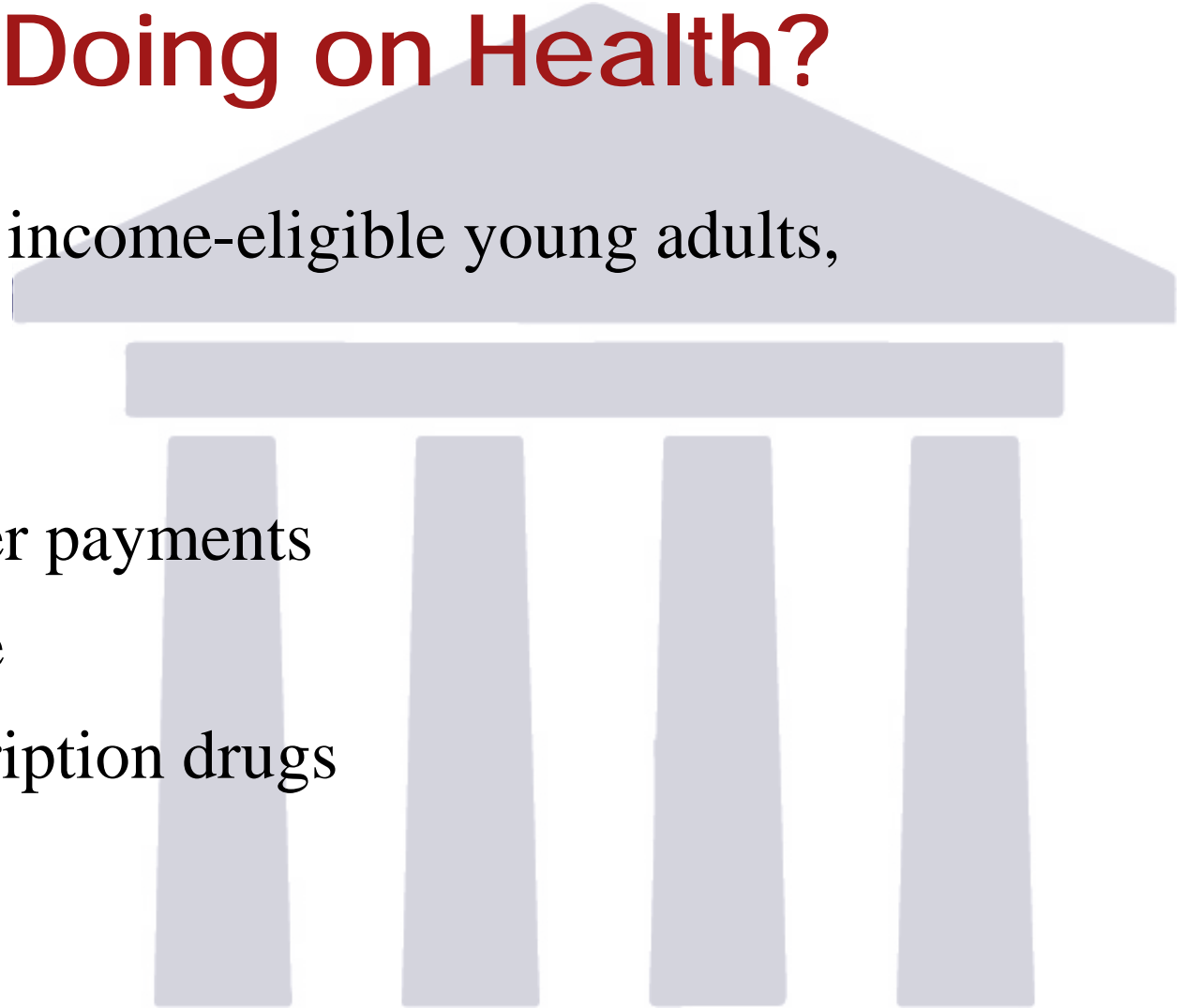
New Administration, New Players



- Governor's Office
 - Bigger, more wide-ranging staff
 - A mix of Sacramento veterans and outsiders
- Health and Human Service Agency
 - New Secretary: Dr. Mark Ghaly
 - Undersecretary (reappointed): Michelle Baass
- DHCS and CDPH
 - Directors appointed by Brown continue for now
 - New leadership at some secondary levels, including:
 - Dr. Charity Dean, assistant director of CDPH
 - Heidi Steinecker, head of Center for Health Care Quality

What's the Governor Doing on Health?

- Expanding Medi-Cal coverage for income-eligible young adults, regardless of immigration status
- New state “individual mandate”
- Using Prop. 56 monies for provider payments
- No extension of MCO tax package
- Proposals to reduce costs of prescription drugs



The Governor's "Master Plan on Aging"

- Governor recognized many issues related to “graying of California” and called for development of a master plan to develop an “age friendly California”
- 30-member “Stakeholder Advisory Committee” to develop recommendations
- CAHF President/CEO is member of Stakeholder Advisory Committee
- Governor wants the Master Plan completed by October 1, 2020.

What About Stuff Important to CAHF?

- 3.62% increase to base--worth more than \$175 million [BUDGET]
- QASP [BUDGET]
- Add-ons for 3.5/2.4, minimum wage [BUDGET]
- ICF/DD from Prop. 56 [BUDGET]
- Licensing fee increases [BUDGET]
- “Master Plan on Aging”
- Alzheimer’s Task Force

A New 2019-20 California Legislature

- Turnover continues
- Heavy new Democratic majorities in both houses
 - Ultra super majorities have implications
- First year of two-year legislative session
 - About 2,600 new bills introduced
- It is still early in the Legislative session, but...
- ...Several new bills of concern and interest to CAHF
- Only one week left in the 2019 session
 - Impact of “3-day in print” rule

New Legislation: What We Are Watching in “Real Time”

AB 506 (Kalra): Long-term care facilities: citations and penalties

- Modifies evidence standards to substantiate AA citations
- Increases state citation penalties for SNFs
- **CAHF neutral—but watching for last-minute negative amendments**

Legislation (cont.)

AB 1695 (Carrillo): Transfer of buildings

- Sets up a number of new notification requirements on transfer of ownership of facilities
- **CAHF neutral for now—but watching for last minute negative amendments**

Legislation (cont.)

SB 305 (Hueso): Access to Medical Cannabis

- Requires a healthcare facility to permit a terminally ill patient to use medical cannabis
- Concerned about potential impacts on our federal funding for Medicare and Medicaid, given federal government's views on cannabis
- **CAHF neutral**

Legislation (cont.)

AB 5 (Gonzalez): Worker status and independent contractors

- Codifies Supreme Court's *Dynamex* decision
- Requires employers to meet specific tests to prove workers can be employed as independent contractors
- Affects many sectors of economy--one of the most lobbied bills of 2019
- CAHF particularly concerned about impacts of rehabilitation staff and nurse registries
- **CAHF opposed unless amended—changes may be forthcoming**

Legislation (cont.)

SB 749 (Durazo): Public records

- Recently amended
- Broadens public access to information on employee wages, benefits, hours and other terms of employment
- **CAHF opposes**

Legislation (cont.)

AB 1042 (Wood): Medi-Cal: home upkeep allowances and transitional needs funds

- **CAHF supports**

SB 512 (Pan): Long-term services and supports

- **CAHF supports**

Several other bills related to aging masterplans that we will likely support

And What About Things Nationally?

- Nationwide occupancy continues to decline, margins continue to compress
- Medicaid risk is minimal
- Increased Congressional oversight likely
- Awaiting more guidance on PDPM
- Closely following new RoP rule from CMS
 - **Action needed:** 4 and 5 Star Buildings should provide comments to CMS about the new ROP rule by September 16.

Many, Many Challenges for Our Profession

- **Workforce** challenge continues (our “perfect storm”)
 - 3.5/2.4 waivers
 - Need for 23,000 more CNAs by 2022, plus other caregivers
 - *UPDATE on current waiver process*
- Continued **financial stress** all over the sector
- **Tough regulatory and liability environment** – unlikely to change
- **Demographics** change will make our work more important
 - 14 million people on Medi-Cal in California
 - 1,100 Californians turning 65 every day

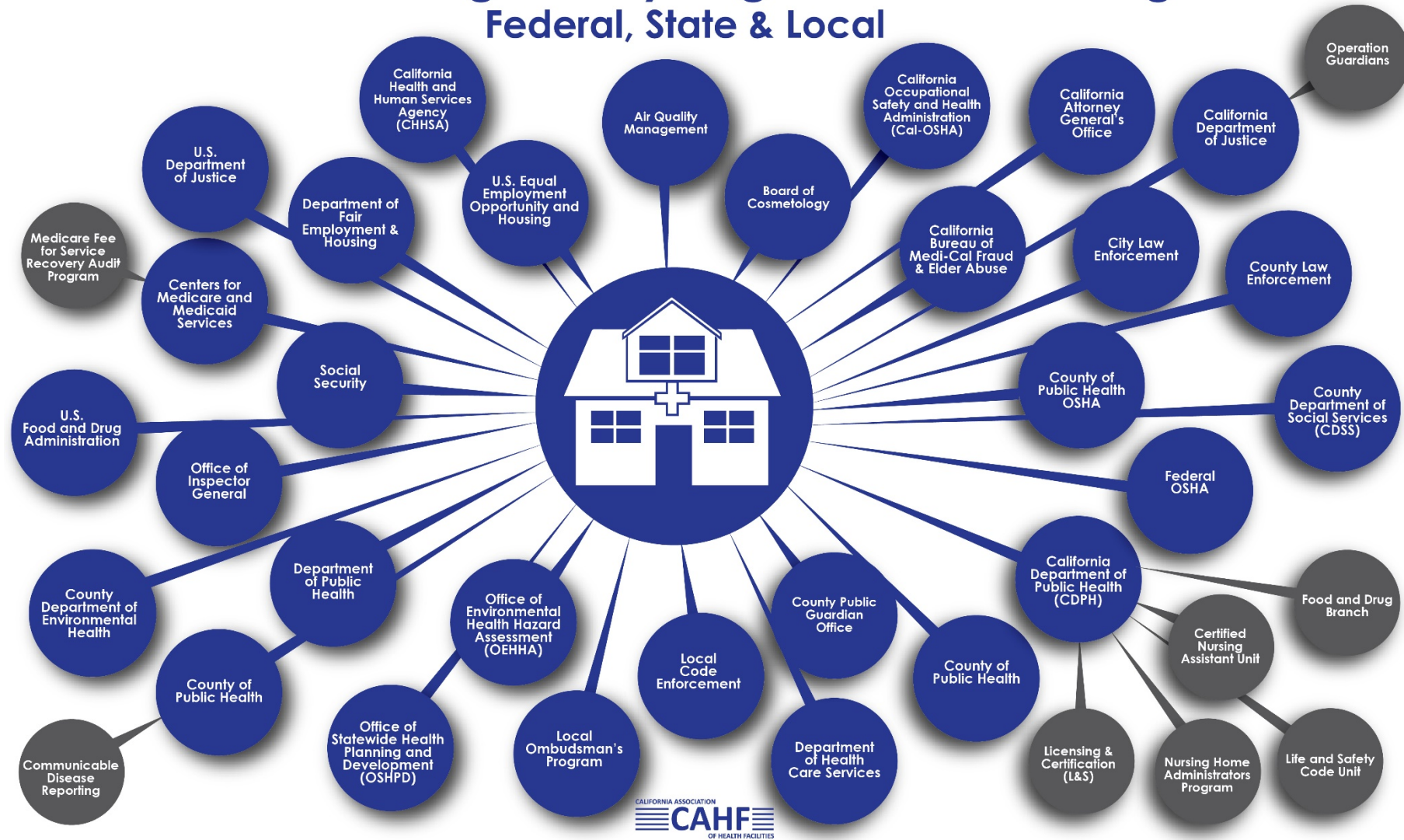


Challenges (cont.)

- Negotiating new **AB 1629** rates and QASP at the top of priorities
 - Have to keep the sector healthy, in order to accommodate the aging population
- **PDPM** is promising, but will require major retooling of how you do business
- Keeping up with **strange, new public health risks**
- **Quality improvement** continues to be key
 - State, feds, consumers demand it—plus it is the right thing



Skilled Nursing Facility Regulations & Oversight: Federal, State & Local



Where do CAHF and San Bernardino-Riverside come into all of this?

- Value of **QCHF's education offerings** have never been greater
- **Grassroots engagement of CAHF members**—essential to our future
- **Political engagement—with members of the Legislature, Congress, and statewide elected officials**—has never been more important
 - The essential role of contributions
- We've got a great story to tell – **let's tell it**

Grassroots Engagement

- **Engage** with CAHF
 - **Attend** your chapter meetings
 - **Participate** in training and conferences
 - Great **opportunities** for education, engagement, networking
- **Give** to our CAHF Political Action Committee (PAC)
- **Invite** a state legislator to tour your facility, especially a facility in his/her district
- Broad, diverse Legislative delegation representing San Bernardino-Riverside

Giving to CAHF PAC is simple...



Some public servants you should get to know...



**Senator
Richard Roth**



**Assembly Member
Chad Mayes**



**Assembly Member
James Ramos**

Some public servants you should get to know...



**Assembly Member
Freddie Rodriguez**



**Assembly Member
Marie Waldron**

Upcoming Events



**Statewide Infection Prevention
Conference**



**Register now for
NHLAE 2020**



**MDS 3.0 Basic, RAI/MDS 101 Clinical,
Medicare ICD-10 Coding**

Upcoming Events

CAHF Annual Convention and Expo

Palm Springs: November 10 to 13



And don't forget about *your local chapter* events!



Orchid '01
Dianne Austin
2001

Thank you!

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